

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 263183

60

ORIGIN PM-04

INFO OCT-01 EUR-12 ISO-00 L-03 MC-02 SS-15 SP-02 CIAE-00

INR-07 NSAE-00 DODE-00 ACDA-07 EB-07 TRSE-00 OMB-01

COME-00 /061 R

DRAFTED BY PM/SAS: ASKOCHANEK:LD

APPROVED BY PM/SAS: MR. WINSHIP

EUR/CE - MR. KURZE

L/PM - MR. MICHEL (SUB)

----- 066941

R 230246Z OCT 76

FM SECSTATE WASHDC

TO AMEMBASSY BONN

LIMITED OFFICIAL USE STATE 263183

E.O. 11652: N/A

TAGS: MASS, GW

SUBJECT: NEGOTIATION OF THIRD PARTY TRANSFER ASSURANCES
FOR JET ENGINE AGREEMENT

1. DEPT ON OCT 18 BRIEFED GERMAN EMBASSY ON STATUS OF
PRATT AND WHITNEY AIRCRAFT (DIVISION OF UNITED TECHNOLOGIES)
REQUEST FOR APPROVAL OF TECHNICAL ASSISTANCE AGREEMENT
INVOLVING EXPORT OF TECHNICAL DATA ON US MUNITIONS LIST.
COLLABORATION AGREEMENT IS FOR DESIGN AND DEVELOPMENT OF
A JET AIRCRAFT ENGINE (DESIGNATED JT-10D-ENTERED INTO
BY PRATT, ROLLS ROYCE OF THE UK, MOTOREN-UND-TURBINEN
UNION (MTU) OF GERMANY AND FIAT OF ITALY. MTU SHARE IN
CONSORTIUM IS ABOUT 10 PERCENT. USG APPROVED PROJECT ON
CONDITION THAT STEPS BE TAKEN TO INSURE THAT ADVANCED US
TECHNOLOGY INVOLVED WILL NOT BE TRANSFERRED TO ANY NON-
CONSORTIUM COUNTRY AND THAT ASSURANCES AGAINST SUCH TRANS-
FER BE OBTAINED FROM THE GOVERNMENTS OF ALL JT-10D PARTNERS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 263183

ASSURANCES WILL ALSO BE INCORPORATED IN COMPANY-TO-COMPANY

AGREEMENT. GERMAN EMBASSY HAS TRANSMITTED TEXT OF DRAFT
USG NOTE TO BONN FOR INSTRUCTIONS.

2. FOLLOWING IS TEXT OF DRAFT USG NOTE WHICH ALSO PRO-
VIDED TO GOVERNMENTS OF UK AND ITALY.

BEGIN QUOTE. "I HAVE THE HONOR TO REFER TO RECENT DIS-
CUSSIONS BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF
THE UNITED STATES AND THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY CONCERNING COMMERCIAL ARRANGEMENTS
WITH RESPECT TO THE DESIGN AND DEVELOPMENT OF A JET AIR-
CRAFT ENGINE DESIGNATED THE "JT-10D" ENTERED INTO BY THE
PRATT & WHITNEY AIRCRAFT GROUP, COMMERCIAL PRODUCTS
DIVISION, UNITED TECHNOLOGIES, INC., A UNITED STATES FIRM;
ROLLS ROYCE, LTD., A BRITISH FIRM; MOTOREN-UND-TURBINEN
UNION, A GERMAN FIRM; AND FIAT, AN ITALIAN FIRM.

UNDER THE AFOREMENTIONED COMMERCIAL ARRANGEMENTS,
THE UNITED STATES FIRM HAS AGREED, SUBJECT TO APPROVAL
BY THE UNITED STATES GOVERNMENT, TO MAKE AVAILABLE TO
THE GERMAN FIRM CERTAIN ADVANCED TECHNICAL DATA RELATING
TO AIRCRAFT ENGINE DESIGN AND MANUFACTURE. THE UNITED
STATES GOVERNMENT DESIRES TO FACILITATE THIS COOPERATIVE
ENDEAVOR BY GRANTING THE NECESSARY APPROVAL, SO LONG AS
THE INFORMATION TO BE TRANSFERRED WILL BE ADEQUATELY
SAFEGUARDED AGAINST DISCLOSURE TO THIRD PARTIES OR USES
OTHER THAN THOSE SPECIFIED IN THE COLLABORATION AGREEMENT
ENTERED INTO BY THE UNITED STATES, BRITISH, GERMAN,
AND ITALIAN FIRMS. THE UNITED STATES FIRM HAS BEEN AD-
VISED THAT EXPORT FROM THE UNITED STATES OF TECHNICAL
DATA UNDER THE COLLABORATION AGREEMENT IS AUTHORIZED
SUBJECT TO SEVERAL CONDITIONS PRECEDENT, ONE OF WHICH IS
THE CONCLUSION OF "A SATISFACTORY AGREEMENT WITH THE
GOVERNMENTS OF THE JT-10D PARTNERS CONSTRAINING ALL PARTIES
FROM DIVULGING ANY TECHNICAL INFORMATION ON JT-10D DESIGN
AND MANUFACTURING TECHNOLOGY TO THIRD PARTIES."

ACCORDINGLY, I HAVE THE HONOR TO REQUEST THAT THE
GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY FURNISH TO
THE UNITED STATES GOVERNMENT ITS FIRM ASSURANCES THAT IT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 263183

WILL NOT DISCLOSE OR PERMIT THE DISCLOSURE OF ANY INFOR-
MATION SUBJECT TO UNITED STATES MUNITIONS EXPORT CONTROLS
MADE AVAILABLE TO THE GERMAN FIRM BY THE UNITED STATES
FIRM PURSUANT TO THE JT-10D COLLABORATION AGREEMENT, IN-
CLUDING TECHNOLOGY DEVELOPED IN THE IMPLEMENTATION OF THAT
AGREEMENT, TO ANY THIRD COUNTRY OR TO A NATIONAL OF A
THIRD-COUNTRY AND FURTHER THAT IT WILL TAKE ALL
PRACTICABLE MEASURES TO PREVENT THAT INFORMATION FROM BEING

SO DISCLOSED. THE FOREGOING ASSURANCES WOULD NOT APPLY TO TRANSFERS TO THE BRITISH AND ITALIAN PARTNERS, IN ACCORDANCE WITH THE COLLABORATION AGREEMENT, OF TECHNICAL INFORMATION NOT RELATED TO THE ENGINE CORE AND NECESSARY FOR THEM TO PERFORM THEIR RESPECTIVE ROLES UNDER THAT AGREEMENT.

IF THESE ASSURANCES ARE ACCEPTABLE TO THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY I HAVE THE FURTHER HONOR TO REQUEST THAT THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY UNDERTAKE PROMPTLY TO ADVISE THE UNITED STATES GOVERNMENT SHOULD ANY UNAUTHORIZED DISCLOSURE OCCUR.

COMPARABLE ASSURANCES HAVE BEEN REQUESTED BY THE UNITED STATES GOVERNMENT FROM THE GOVERNMENTS OF THE BRITISH AND ITALIAN PARTNERS TO THE JT-10D COLLABORATION AGREEMENT WITH RESPECT TO THE TECHNICAL INFORMATION TO BE MADE AVAILABLE TO THOSE PARTNERS. UPON RECEIPT OF THE REQUESTED ASSURANCES FROM ALL OF THE CONCERNED GOVERNMENTS, THE UNITED STATES GOVERNMENT WILL INFORM THE UNITED STATES FIRM THAT THE CONDITIONS IMPOSED UPON OUR APPROVAL OF THE PROPOSED EXPORT HAVE BEEN FULFILLED, AND THAT IMPLEMENTATION OF THE CONTRACT, THEREFORE, MAY COMMENCE.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION." END QUOTE.

3. ACTION REQUESTED: IN VIEW OF HIGH LEVEL ATTENTION THIS MATTER AND FACT THAT AGREEMENT CANNOT ENTER INTO FORCE UNTIL REQUIRED GOVERNMENT ASSURANCES OBTAINED, EMBASSY INSTRUCTED TO FOLLOW-UP DEPT APPROACH AND TO URGE FRG TO PROVIDE ASSURANCES REQUESTED ASAP. WE UNDERSTAND PRATT HAS BEEN IN TOUCH WITH MTU, WHICH EXPECTED TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 263183

APPROACH FRG SEPARATELY. EMBASSY REQUESTED REPORT ON RESULTS ITS APPROACH SOONEST. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, AEROSPACE INDUSTRY, AGREEMENTS, JET ENGINES, NEGOTIATIONS, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE263183
Document Source: CORE
Document Unique ID: 00
Drafter: ASKOCHANKEK:LD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760398-1044
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761021/aaaaarkw.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 27 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 APR 2004 by ShawDG>; APPROVED <18 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEGOTIATION OF THIRD PARTY TRANSFER ASSURANCES FOR JET ENGINE AGREEMENT
TAGS: MASS, GE, US
To: BONN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006